

03-63

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FCC/MELLON

MAR 07 2003

March 7, 2003

**BY HAND DELIVERY**

Federal Communications Commission  
Wireline Competition Bureau - 214 Applications  
P.O. Box 358145  
Pittsburgh, Pennsylvania 15251-5145

**Re:** In the Matter of the Application of VFS Financing, Inc., Transferee, and Advanced TelCom Group, Inc., Transferor, For Consent to Transfer Control of the Domestic Section 214 Authorizations of Advanced TelCom, Inc. and Shared Communications Services, Inc.

~~Dear~~ Sir or Madam:

**On** behalf of **VFS** Financing, Inc., and Advanced TelCom Group, Inc., please find attached for filing with the Federal Communications Commission an original and **five** (5) copies of the above-referenced Application. Attached **please** also find a check in the amount of **\$860.00** to cover the requisite fee for **this** Application, a duplicate of **this** filing and a self-addressed envelope. Please **date-stamp** the duplicate **upon** receipt and **return** it to the courier in **the envelope** provided.

Please feel **free** to contact me at (202) **887-1211** if you have any **questions** regarding this filing.

Respectfully submitted,

*Brett H. Freedson*

Brett Heather Freedson

Attachments

cc: **Qualex International**

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE

Approved by OMB  
3060-0589  
Page No 1 of 1

(1) LOCKBOX # 358145

SPECIAL USE

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SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)

**Kelley Drye & Warren LLP**

(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)

(4) STREET ADDRESS LINE NO. 1

**1200 Nineteenth Street, NW**

(5) STREET ADDRESS LINE NO. 2

**Suite 500**

(6) CITY

**Washington**

(7) STATE

**DC**

(8) ZIP CODE

**20036**

(9) DAYTIME TELEPHONE NUMBER (include area code)

**(202) 955-9600**

(10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN)

**0007099294**

(12) PAYER (TIN)

**13-5335107**

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B  
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

(13) APPLICANT NAME

**VFS Financing, Inc.**

(14) STREET ADDRESS LINE NO. 1

**10 Riverview Drive**

(15) STREET ADDRESS LINE NO. 2

(16) CITY

**Danbury**

(17) STATE

**CT**

(18) ZIP CODE

**06810**

(19) DAYTIME TELEPHONE NUMBER (include area code)

**(203) 316-7500**

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

**0008572182**

(22) APPLICANT (TIN)

COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

(25A) QUANTITY

**CUT**

**4**

(26A) FEE DUE FOR (PTC)

**5860.00**

(27A) TOTAL FEE

**5860.00**

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT

I, **BRETT HEATHER FREEDSON**

the best of my knowledge, information and belief

certify under penalty of perjury that the foregoing and supporting information is true and correct to

SIGNATURE

**Brett Heather Freedson**

DATE **3/7/03**

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)

MASTERCARD/NISA ACCOUNT NUMBER:

☐

MASTERCARD

☐

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.

SIGNATURE

DATE

EXPIRATION  
DATE:  
DATE:

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of the Application of	)	
	)	<b>FCC/MELLON</b> <b>MAR 072003</b>
<b>VFS FINANCING, INC.,</b>	)	
<b>TRANSFeree</b>	)	
	)	
<b>AND</b>	)	<b>FILE No.</b> _____
	)	
<b>ADVANCED TELCOM GROUP, INC.</b>	)	
<b>TRANSFEROR</b>	)	
	)	
For Consent to Transfer Control of the	)	
Domestic Section 214 Authorizations of	)	
Advanced TelCom, Inc. and	)	
Shared Communications Services, Inc.	)	
to <b>VFS</b> Financing, Inc.	)	

**To:**    Competitive Policy Division, Wireline Competition Bureau

**APPLICATION**

Advanced TelCom Group, Inc. ("ATGI"), Advanced TelCom, Inc. ("ATG"), Shared Communications Services, Inc. ("SCS") and VFS Financing, Inc. ("**VFS**") (collectively, the "Applicants"), by their undersigned attorneys and pursuant to Section 214(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(a), and Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04, hereby respectfully request authority to transfer to **VFS** control of ATG, a wholly-owned subsidiary of ATGI, and SCS, a wholly-owned subsidiary of ATG. Both ATG and SCS hold blanket authorizations to provide domestic telecommunications services.'

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By separate application concurrently filed with the Commission, the Applicants **also** have requested authority to transfer ownership and control of ATGI, ATG, and SCS to VFS insofar as ATG and SCS currently **are** authorized by **the** Commission to provide international telecommunications services. The instant Application pertains only **to** the blanket authorizations of ATG and SCS to provide domestic telecommunications services.

On May 2, 2002, ATGI, ATG, and SCS filed for bankruptcy law protection under Chapter 11 of the United States Bankruptcy Code in the **U.S.** Bankruptcy Court for the Northern District of California, Santa Rosa Division (the “Bankruptcy Court”). ATG and SCS initially elected to auction off their assets, and on June 21, 2002, the Bankruptcy Court approved the sale to GE Business Productivity Solutions, **Inc.** (“GEBPS”), a wholly-owned subsidiary of General Electric Capital Corporation (“GECC”), of certain assets of ATG and SCS, pursuant to the Bankruptcy Code and subject to the terms and conditions of **an** Asset Purchase Agreement **and** certain other agreements (**the** “Asset Transfer”)? Consequently, on September 4, 2002, GEBPS, ATG and SCS filed with the Commission an application for approval of the Asset Transfer, and **on** October 22, 2002, the Asset Transfer was approved by the Commission.’

The Applicants have not yet completed the Asset Transfer. Since the Commission’s approval of the Asset Transfer, ATGI, ATG and SCS met with GEBPS, GECC, and some of their affiliates to reconsider whether a different plan might be of even greater benefit to the parties. As a result of their discussions, **the** Applicants **now** intend *to* consummate a transaction whereby ownership and control of ATGI, ATG, and SCS will be transferred to VFS, an indirect subsidiary of GECC, through the issuance of new common stock to **VFS** (**the** “Transfer of **Control**”), as explained more fully herein. By **this** Application, the Applicants **seek** approval of the Transfer of Control. *Although the Applicants intend to proceed under the Transfer of Control, there are several conditions that must be satisfied or the Transfer of Control will not be consummated, and GEBPS,*

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<sup>2</sup> See Orders dated June 21, 2002 of **the** United States Bankruptcy Court for the Northern District of California in certain consolidated Chapter 11 reorganization proceedings (Case No. 02-11073) under Title 11, United States Code, 11 U.S.C. §§101 **et seq.** in re: Debtors and Debtors-in-Possession (each individually, a “Debtor” and, collectively, **the** “Debtors”) (A) Advanced TelCom Group, Inc., a Delaware corporation, (B) Advanced TelCom, Inc., a Delaware corporation, and (C) Shared Communications Services, Inc., an Oregon corporation.

<sup>3</sup> See WC Docket No. 02-279.

*ATG and SCS instead will consummate the Asset Transfer earlier approved by the Commission.*

Accordingly, the Applicants respectfully request that the Commission's approval of the Asset Transfer remain effective until the Transfer ~~of~~ Control or the Asset Transfer is consummated, at which time the Applicants will notify the Commission ~~as~~ to which ~~form~~ of transaction has ~~been~~ completed.

~~Pursuant~~ to Section **63.04(a)** of the Commission's Rules, the Applicants hereby provide the following information in support of their Application:

(1) The name, address and telephone number ~~of~~ each Applicant:

VFS FINANCING, MC.  
10 Riverview Drive  
Danbury, Connecticut **06810**  
**203-316-7500**

ADVANCED TELCOM GROUP, INC.  
19 Old Courthouse Square  
Santa Rosa, California **95404**  
**(707) 284-5000**

ADVANCED TELCOM, INC.  
**19** Old Courthouse Square  
Santa Rosa, California **95404**  
**(707) 284-5000**

SHARED COMMUNICATIONS SERVICES, INC.  
**19** Old Courthouse Square  
Santa ~~Rosa~~, California **95404**  
**(707) 284-5000**

(2) The ~~government~~ state or territory under the laws of which each ~~corporate~~ or ~~partnership~~ Applicant is organized:

VFS is a corporation organized under the laws of the State of Delaware.

ATGI and ATG are corporations organized under the laws of the State of Delaware. ATG is a wholly-owned subsidiary of ATGI. SCS is a ~~corporation~~ organized under the laws of the State of **Oregon**, and is a wholly-owned ~~subsidiary~~ of ATG.

- (3) The name, title, ~~uost~~ office address and teleuhone number of the officer or contact point, such as legal counsel, to whom corresuondence concerning the Application is to be addressed:

Correspondence concerning this Application should be addressed to:

Edward A. Yorkgitis, Jr., Esq.  
Brett Heather Freedson, Esq.  
KELLEY DRYE & WARREN LLP  
1200 Nineteenth Street, NW  
Suite 500  
Washington, DC 20036  
Tel: (202)955-9600

Richard H. Levin, ~~Esq.~~  
3554 Round ~~Barn~~ Boulevard  
Suite 303  
Santa Rosa, California 95403  
Tel: (707) 523-4223  
Tel: (707) 788-3507

Fax: (202)955-9792

Attorneys for VFS

Attorney for ATGI, ATG, and SCS

With copies to:

Meredith H. Gifford  
Assistant VP – Regulatory Affairs  
GE BUSINESS PRODUCTIVITY SOLUTIONS, INC.  
6540 Powers Ferry Road  
Atlanta, Georgia 30339  
Tel: (770) 644-7774  
Fax: (770) 644-7752

~~Gary~~ Cuccio, Chief Executive Officer  
ADVANCED TELCOM, INC.  
SHARED COMMUNICATIONS SERVICES, INC  
19 Old Courthouse Square  
Santa ~~Rosa~~, California 95404  
Tel: (707) 284-5000  
Fax: (707) 284-5001

- (4) The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least 10% of the equity of the Applicant, and the percentage of equity owned by each of those entities:

Upon completion of the Transfer of Control described herein, VFS will hold a direct, 100 percent ownership interest in the voting capital stock of, and 100 percent voting control over, ATGI. By virtue of ATGI's direct ownership of all of ATG's capital stock and indirect ownership of all of SCS's capital stock, VFS will hold a 100 percent controlling interest in both ATG and SCS.

VFS is a wholly-owned subsidiary of GE Capital Information Technology Solutions, Inc. ("GECITS"). GECITS is a wholly-owned subsidiary of GECC, which is, in turn, a wholly-owned subsidiary of General Electric Capital Services, Inc. ("GECS"). Finally, GECS is a wholly-owned subsidiary of General Electric Company ("GE"). No person or entity owns 10% or more of GE. VFS is a corporation formed under the laws of the State of Delaware and is located at 10 Riverview Drive, Danbury, Connecticut 06810. VFS's principal business is the leasing and financing of commercial equipment. GECITS is a corporation formed

under the laws of the State of California and is located at **One** Riverfront Place, Newport, Kentucky 41071. The principal business of GECITS is **the** leasing and financing of commercial equipment. GECC and GECS are formed under the laws of the State of Delaware, and are located at 260 Long Ridge **Road**, Stamford, Connecticut 06929. GECC is a diversified company with five key operating segments: consumer financial services, equipment management services, commercial and vendor financial services, specialized financing services and specialty insurance. GECS operates principally **as** a holding company. GE is a corporation formed under the laws of the State of New **York**, located at 3135 **Easton** Turnpike, Fairfield, Connecticut 06431. GE is a widely held public corporation, and one of the largest and most diversified industrial corporations in the world.

Organizational charts reflecting the complete corporate structure of the ATGI entities both before and after the transaction, and of the GE entities, which will not be affected by the proposed transaction, are attached hereto **as** Exhibit A.

- (5) Certification **oursuant to** §§ 1.2001 through 1.2003 of this chaoter that no **party to the Application is subject to a denial of Federal benefits oursuant to Section 5301 of the Anti-Drug Abuse Act of 1988:**

As evidenced by the signatures to this Application, the Applicants respectively certify that no party to this Application is subject to **a** denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

- (6) A description of the transaction:

The Applicants propose to consummate a transaction whereby ownership and control of ATGI, and thus indirect control of ATG and SCS, will be transferred to VFS. Specifically, pursuant to a plan of reorganization submitted to the Bankruptcy Court for approval on January 21, 2003, and an amended plan of reorganization submitted to the Bankruptcy Court in **February** 2003, ATGI would cancel all of its existing capital stock, both common and **preferred**, and VFS would receive all of the newly-issued ATGI voting capital stock in exchange for and in satisfaction of the existing senior-secured debt claims of GECC, or one of its affiliates, against ATGI. In addition, under **this** plan, GEBPS, **an** affiliate of VFS and wholly-owned subsidiary of GECC, would purchase new debt instruments **from** ATGI.

The proposed Transfer of Control does not involve any assignment of telecommunications authorizations or change in carriers providing telecommunications service to customers, or any change in the rates, **terms** and conditions of service. It is **contemplated** that portions of the current management of ATG and SCS would remain **the same** following the transaction, and that **the** contacts for customer and Commission inquiries would not change. **Thus**, the proposed Transfer of Control will be transparent to the current **customers** of ATG and SCS.

- (7) A description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:

ATG currently provides interstate and intrastate long distance, and local telephone service to business customers, home based **businesses** and telecommuters in California, Nevada, Oregon and Washington. ATG also provides Internet **access** and data services, including high-speed DSL technology and other enhanced data services. SCS currently provides interexchange and local telecommunications services to customers in Nevada, Oregon and Washington, and resold interexchange telecommunications services to customers in over twenty **states**.

ATGI and VFS currently do not provide telecommunications service.

- (8) A statement **as** to how the **Application** fits into one or more of the presumptive streamlined categories in this section or **why** it is otherwise appropriate for streamlined treatment:

This Application is presumed eligible for streamlined treatment under Section 63.03(b)(2) of the Commission's Rules because ATG and SCS will have a market share in the interstate, interexchange market of less than 10 percent, and will provide competitive telephone exchange services only in geographic **areas** served by a dominant local exchange carrier that is not a party to the Transfer of Control described herein. Further, none of the Applicants is dominant with respect to any service.

- (9) Identification of all other Commission applications related to the same transaction:

Simultaneous with this Application, the Applicants also have filed an application pursuant to Section 63.24(e) of the Commission's rules for authority to transfer ownership and control of ATGI, ATG, and SCS to **VFS**, **as** the transaction relates to the Section 214 authorizations of ATG and SCS to provide international telecommunications services.<sup>4</sup>

- (10) A statement of whether the **Applicants** are requesting special consideration because either **party** to the transaction is facing imminent business failure:

The Applicants understand that if this Application is deemed complete and is accorded streamlined treatment by the Commission, the Applicants **may** complete the proposed Transfer of Control on or after the 31<sup>st</sup> day following issuance by the Commission of Public Notice. The Applicants do not request any further special

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<sup>4</sup> **As** noted above, the Commission previously approved the Asset Transfer pursuant to Sections 63.03 and 63.04 of its Rules. **See** WC Docket No. 02-279.



consideration if the Application can be completed within said period. If the Application, for any **reason**, is not accorded streamlined treatment, **the** Applicants may **seek** special consideration due **to** the insolvency of the transferor.

- (11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:

The Applicants have not separately filed any **waiver** request in conjunction with the Transfer of Control.

- (12) A statement showing how grant of the Application will serve the public interest, convenience and necessity, including any additional information that may be  
domestic markets:

The Applicants respectfully submit that the proposed Transfer of Control would result in public interest benefits by allowing a facilities-based, competitive local exchange carrier to **remain** a valuable competitor in the market **for** telecommunications services. The Transfer of Control also would permit **two** competitive providers of interexchange service to continue their current operations. Specifically, the Transfer of Control would place ATG and SCS **on firm** financial footing and would thereby preserve and strengthen competition in domestic telecommunications markets, to the ultimate benefit of the public. Given the difficulties currently faced by competitive carriers, it is all the more important **to** preserve facilities-based options and robust competition in the telecommunications industry. Moreover, the pro-competitive benefits of the Transfer of Control would not be diminished by anticompetitive effects. No competitors would be eliminated **from** any market for telecommunications services **as** a result of the Transfer of Control, and neither the Applicants **nor** any of their affiliates control **or** hold a substantial interest in any dominant telecommunications carrier.

**The** Applicants emphasize that, following the **Transfer of Control**, **the** current customers of ATG and SCS will continue to receive service **from** the **same** experienced and qualified carriers, consistent with the quality of service currently provided. The proposed Transfer of **Control** does **not** involve any assignment of telecommunications authorizations or change in carriers providing telecommunications service **to** customers, **or** any change in the rates, **terms** and conditions of service. It is contemplated that portions of the current management of ATG and **SCS** will not change as a result of the transaction, and the contacts for customer and Commission inquiries will **remain** the **same** following the proposed Transfer of Control. **Thus**, the proposed Transfer of Control **will** be transparent to the current customers of ATG and SCS.

For the foregoing reasons, the Applicants respectfully request that the Commission grant this Application for authority to transfer ownership and control of Advanced TelCom Group, Inc, Advanced TelCom, Inc., and Shared Communications Services, Inc. to VFS Financing, Inc.

Respectfully submitted,



Brad E. Mutschelknaus  
Edward A. Yorkgitis, Jr.  
Brett Heather Freedson  
KELLEY DRYE & WARREN LLP  
1200 Nineteenth Street, NW  
Suite 500  
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*Counsel for  
VFS Financing, Inc.*



Richard H. Levin  
3554 Round Barn Boulevard  
Suite 303  
Santa Rosa, California 95403  
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Fax: (707) 788-3507

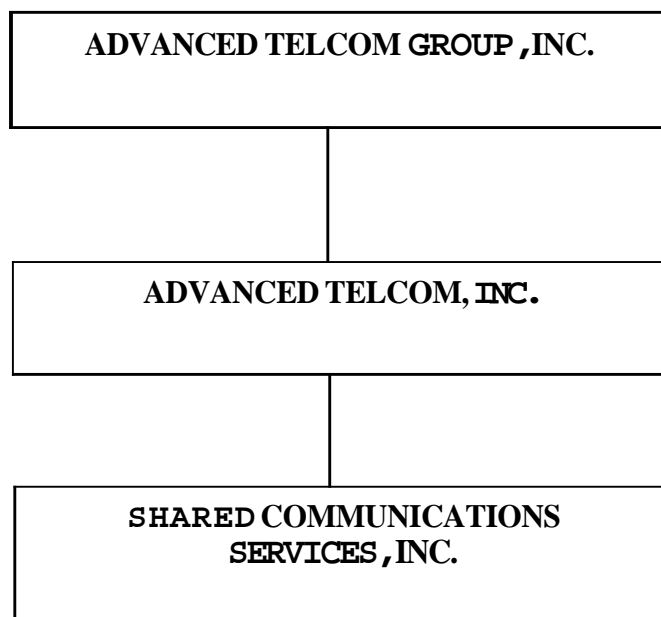
*Counsel for Advanced TelCom Group, Inc.,  
Advanced TelCom, Inc., and  
Shared Communications Services, Inc.*

Dated March 7, 2003

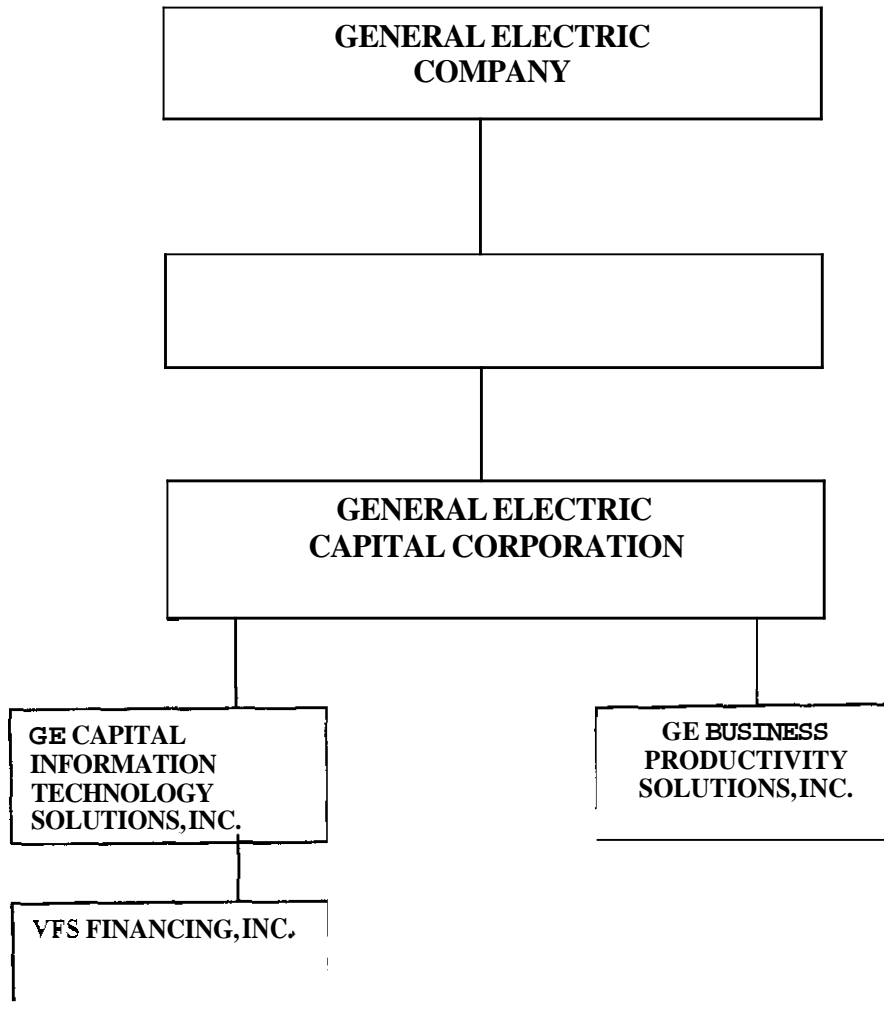
**EXHIBIT A**

**ORGANIZATIONAL CHARTS**

**PRE-TRANSACTION STRUCTURE  
OF ATG ENTITIES**



**PRE-TRANSACTION STRUCTURE  
OF GE ENTITIES**



## POST-TRANSACTION CORPORATE STRUCTURE

